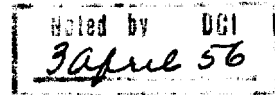


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3 April 1956

MEMORANDUM FOR: MR. DULLES

SUBJECT : Architectural Fee - Harrison & Abramovitz



The following telegram was received from Wally Harrison yesterday morning, 2 April:

"It is the considered opinion of all that we cannot afford to take the risks involved in the contract at the proposed fee. This is without considering payments to other associates. We are willing to take the job on an actual cost basis with a small salary for each of the active partners to replace in part what they would normally earn upon other work. But otherwise please consider us eliminated."

I talked to Harrison on the telephone and emphasized our desire to have him continue. He very definitely wants to continue but I think was genuinely fearful that he might lose money on the deal. I assured him that I saw no reason why this should be the case and he has agreed to sit down with us and the GSA people on Thursday morning, 5 April. There may be some rough spots, but I feel sure that we can iron them out.

Circumstances leading up to this are briefly as follows:

Harrison's man, Mr. Johnston, was down last week for preliminary conferences with GSA. While no fee was mentioned Johnston carried away an impression that it would be about 3-1/2 per cent of the construction cost based on \$42,000,000. (\$4,000,000 of the \$46,000,000 is excluded for things such as the power plant and contingencies.) Three and one-half per cent would give him a fee of about \$1,470,000. Actually, I think that the Public Buildings Service will propose a fee of about 4 per cent which would be \$1,680,000, and there may be room for further negotiation. Getting PBS to go above 4 per cent, however, will be difficult.

Harrison was most friendly on the telephone and I don't think that we have cause for serious concern.

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